

SUBJECT: CLAIMS PROCEDURE

I. Policy

It is the policy of the City of Cottonwood to issue Accounts payable checks on a semi-monthly basis, on the Friday that immediately follows the first and third regular city council meeting each month. It is also the policy of the City of Cottonwood to provide written notification and approval to the city council on claims in excess of \$1,000 to any single individual or person.

II. Procedure

The finance department will provide the city council and all departments annually, an Accounts Payable (claims disbursement) schedule for the upcoming calendar year. This schedule should include the following information:

1. \$1,000 invoice submitted cut off date (to meet the city council claims report).
2. Check needed cut off date.
3. City council meeting date.
4. Date the checks will be disbursed.

A. Claims Report

A "Claims Report" is to be submitted to the city council for approval at each regular meeting. The claims on this report will include invoices in excess of \$1,000 to be approved by the city council prior to being released. This report will include the following information:

1. The fund(s) from which the disbursement is to be made.
2. Vendor name.
3. Amount.
4. Brief description of the disbursement.
5. Total disbursement (See exhibit XI-1)

B. Claims Exception Report

In order to comply with state statutes and other sound fiscal practices, the city council will allow the following claims in excess of \$1,000 to be released prior to city council approval. A separate form "Claims Exception Report" is to be submitted to the city council at each regular meeting, as written notification of disbursements made in excess of \$1,000 to any single vendor prior to city council approval. The following category of claims may be released prior to city council approval:

1. Payments to contractors for amounts less than \$5,000 when such payments are to be made to comply with state statutes.
2. Fines and Forfeitures to be submitted to the State Treasurer.
3. Invoices in which the city may obtain a purchase discount from prompt payment.
4. Invoices for a city council approved lease-purchase or other city council approved fixed obligation.
5. Invoices in which the city will receive a late charge if not paid within a certain date.

6. Expenditures in relation to payroll.
7. Utility payments.
8. Checks issued to individuals or vendors in which the accumulation of invoices exceed \$1,000 for the check being issued.

The Claims Exception Report will include the following information:

1. The fund(s) from which the disbursement was made.
2. Vendor name.
3. Amount.
4. Brief description of the disbursement.
5. Total disbursement (See exhibit FOG XI)

CLAIMS REPORT OF MARCH 17, 2009

FUND	VENDOR NAME	DESCRIPTION	TOTAL
TOTAL			\$0.00

CLAIMS EXCEPTIONS REPORT OF MARCH 17, 2009[illegible]

FOGX1